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# Press Release

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***FOR IMMEDIATE RELEASE***

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**ATTORNEY GENERAL DARRELL MCGRAW ANNOUNCES STATE RECEIVES \$500,000 IN TOBACCO SETTLEMENT WITH TOBACCO COMPANIES**

Attorney General Darrell McGraw announced today that the State of West Virginia has received approximately \$500,000 under a \$55.4 million settlement reached with Tobacco Master Settlement Agreement ("MSA") member House of Prince A/S. The dispute involved cigarettes manufactured by House of Prince but sold in the United States by Carolina Tobacco Company, a firm which has not signed the MSA.

The MSA requires tobacco manufacturers that signed the agreement to make annual payments to the states, in part to compensate the states for billions of dollars in health care costs associated with treating tobacco-related diseases under state Medicaid programs. House of Prince is a Participating Manufacturer under the MSA. Carolina Tobacco Company is not a Participating Manufacturer.

The settlement resolved a three -year court dispute over whether cigarettes manufactured by a House of Prince affiliate and sold by Carolina Tobacco Company in the United States from 1999-2003 were subject to the MSA's payment requirements and other obligations. No cigarettes manufactured by House of Prince have been sold in the United States since 2003.

The State of West Virginia filed a lawsuit in September of 2002 against Carolina Tobacco Company. The State of California filed a lawsuit in February 2003 to force House of Prince to make MSA payments for cigarettes sold in the United States. House of Prince and Carolina Tobacco Company subsequently entered settlement discussions that produced a national agreement with all jurisdictions that signed the MSA -- 46 states, four territories, Puerto Rico and Washington D.C.

"I am pleased that the settlement of this long-standing dispute provides the state money it is owed and preserves the MSA's integrity," said Attorney General McGraw. "The MSA is primarily a public health agreement. As advocates for the public interest, we believe it is important to enforce all provisions of the MSA to help reduce tobacco use and protect consumers from its deadly consequences."

Aside from its payment provisions, the MSA created a broad array of restrictions on the advertising, marketing and promotion of cigarettes. For example, it prohibits the targeting of youth in cigarette advertising. It also restricts outdoor advertising of cigarettes, the advertising of cigarettes in public transit facilities, and the use of cigarette brand names on merchandise, among other limitations.

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